

In the Advisory Action, the Examiner contends that Applicants' previous arguments were not persuasive due to the breadth of the claim. The Examiner asserts that the "interactive connection" can include other elements such as controller 50 and in particular, the Examiner contends that the claimed interactive connection can be in the form of elements 50, 16, CE1 and CE2 which includes at least one gear pair and the connection can include controller 50. The nature of the differential gear set allows plural ratios to be achieved based on the particular speeds of the plural input and output guides. The Examiner's argument is based on the fact that allegedly, the breadth of claim 1 permits the inclusion of controller 50 as part of the claimed "interactive connection" and therefore, the cited reference discloses the claimed invention since the elements 16, CE1 and CE2 are capable of "setting themselves" due to *the action of the controller or actuator 50*.

In order to more clearly define the present invention, claim 1 has been amended to state that the transfer device is configured such that that depending upon a sense of rotation thereof and absent any activation of an actuator, the transfer device causes the planetary gear mechanism to lockingly engage a non-rotating component in the first mode and under the second mode causes components of the planetary gear mechanism to lockingly engage one another. Applicants respectfully submit that this feature more clearly recites what Applicants refer to as “self-setting” in that the transfer device is configured so that only the sense of motion of the components of the transfer device and based *solely* on the movements of the components of the transfer device, *without and absent* any instructions or activation from a controller or actuator or the like.

The present clarification of the subject matter of claim 1 therefore precludes the inclusion of controller 50 as part of the claimed interactive rotary connection and therefore, based on the fact, and as described below in more detail, that the arrangement of the prior art device



Claims 2-26 should be allowed as depending from what should now be an allowed independent claim 1.

New claim 27 has been introduced in the present amendment. Consideration and allowance of claim 27 are earnestly solicited. Claim 27 recites that the interactive rotary connection automatically sets itself to one of at least two rpm ratios depending on whether the electro-mechanical energy converter is working in the first or second mode. The self-setting ability of the interactive rotary connection is based solely on movement of components thereof based on a sense of rotation thereof and absent manipulation by an actuator.

For the same reasons discussed above with reference to claim 1, as amended, Applicants respectfully submit that claim 27 more clearly defines what Applicants regard as a self-setting interactive rotary connection which operates without any activation of a controller or actuator. This is clearly different than the arrangement in the prior art references where any setting of a connection results based on the activation and operation of a controller or actuator.

As a result, newly added claim 27 should be allowed.

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Respectfully submitted,

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